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Executive Registry

82-0146

DDI-341-82

15 January 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Deputy Director for Intelligence
Director of Global Issues NSC review completed
Chief, Geography Division, OGI

FROM: Peter W. DeForth
Chief, International Transportation Branch, OGI/GD

SUBJECT: Interagency Group (IG) Meeting on the Cuban Embargo (S NF)

1. Action Requested: None. This memorandum summarizes for you information on the results of the IG on the Cuban Embargo meeting held on 14 January 1982 at the Department of State. The IG meeting was chaired by Ambassador Thomas O. Enders, Assistant Secretary of State for Inter-American Affairs. (S NF)

2. Background: The Chairman first reviewed further developments concerning three of the previously recommended trade sanctions against Cuba:

- a. measures to oppose hard currency loans to Cuba,
- b. steps to improve publicity on the US position and rationale for further embargo tightening, and
- c. measures to reduce US tourism and attendant hard currency flow to Cuba.

Additional policy options considered at the meeting included:

- a. options for blacklisting ships in the Cuban trade, and
- b. measures to ban indirect imports of Cuban sugar into the US.

Ambassador Enders indicated that in light of other developments in Cuba and Central America in recent weeks it was likely that regulatory drafts for implementing all the policy recommendations for tightening the trade embargo against Cuba would be needed within two weeks, and the NSC action on the recommendations would follow shortly thereafter. (S NF)

3. Conclusions/Results of the IG Meeting: During the review of previously recommended trade sanctions, the question of what assets could be best used to identify targets for action in opposing hard currency loans to Cuba was raised; Treasury and State representatives agreed to assume that responsibility, though it was noted that at some unspecified future time field liaison with CIA assets might be necessary. Steps to publicize the US

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State Dept. review
completed
Not referred to DOC.
Waiver applies.

DHS review(s)
completed.

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rationale for tightening the embargo will include published statements by Commerce and discussions of the subject by the Secretary of Commerce at trade association meetings. Commerce further agreed to draft regulations reflecting the IG positions on proscribing tourism to Cuba with certain special exceptions (humanitarian reasons, journalists, sports and cultural exchanges, etc.). (S NF)

There was general agreement on recommending a policy of blacklisting ships in the Cuban trade beginning at an unspecified future point, since CIA analysis had shown that a retroactive blacklist could prove counterproductive. Agriculture went on record as being committed to as little disruption as possible in the grain trade if such an action is approved. Treasury/Customs will prepare implementing regulations for the blacklist within the next two weeks. The Commandant of the Coast Guard noted that considerable intelligence assistance would be needed to support related enforcement actions, and State responded that the mechanism for coordinating that support would be the IG Working Group on Intelligence and Enforcement, which was established at the 12 November meeting of the IG. (S NF)

While there was general agreement with CIA-provided analysis indicating the impact on Cuba of measures to reduce Cuban access to sugar markets would be slight, there was also concern over potential international repercussions to such actions. The Chairman noted that such measures would only be effective if aggressively applied to friendly nations, imposing on them the burden of proof that their exports to the US contained no Cuban sugar. All present agreed that before a firm policy recommendation could be made, further study of the impact of such measures on the international market was needed to determine whether such measures might prove counterproductive. State agreed to prepare a paper in coordination with Commerce, Agriculture and CIA addressing trends in Soviet demand for sugar and possible repercussions that could ensue if Moscow shifted its purchases to Cuba from important current suppliers, particularly the European Communities. (S NF)

4. Follow-Up Tasks: DDI/OGI and DDI/OALA personnel will continue to provide analytical support to the IG and the Working Group on Intelligence and Enforcement as required to conclude this set of policy recommendations. The nature of the requirements on the Intelligence Community in support of implementing and enforcement actions is dependent upon final definition of all embargo actions, and is not reliably predictable at this time. When the aforementioned analysis of the sugar market is complete, State will likely call another IG meeting and then forward a report of the IG policy recommendations to the NSC for action. (S NF)



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